

**SAMPLE DISCLOSURE LANGUAGE
FOR USE BY ALL SELLERS OF TRAVEL**

Introduction:

This document will assist you in following the disclosure requirements of the California Seller of Travel Act. It includes sample disclosure language you can use. You must tailor the sample disclosure language to your sales situation. Read the statute or consult a private attorney if you feel that the suggested language does not apply to your situation or if you have any questions. The disclosures discussed below are required by law. Specific disclosure language that is required by statute is marked "**Mandatory Disclosure Language**." Other disclosure language is suggested. The language in brackets instructs you to fill in relevant information on the sale.

Disclosures Prior To Sales

A. Using Your Registration Number In Advertising

Your registration number must be clearly and conspicuously displayed in all advertising, promotional materials, including, but not limited to, all print advertising, brochures, business cards, flyers, faxed ads, electronic media, radio and television ads, telephone solicitations, Internet sites, banner ads, or any writing of any kind provided to persons in California or from California to any person elsewhere where such advertising or promotional material offers for sale or solicits the purchase of any air or sea travel and land or water vessel transportation.

You may use the abbreviation "CST" before the registration number to distinguish the registration number from another kind of number, such as a telephone or fax number, or another state's registration number.

Sample Disclosure Language:

CST 1000000-00

"CST" is the preferable abbreviation to use. "SOT" may be confused with seller of travel registration programs in other states.

You may choose to use the term "Registered Seller of Travel" or state in any manner that you are registered with the State of California instead of using the abbreviation "CST." However, if you do, the following statement must be at least as prominent as the statement about being registered:

Mandatory Disclosure Language:

"Registration as a seller of travel does not constitute approval by the State of California."

B. Posting and Providing Copies of Your Registration Certificate

Your registration certificate, or a copy of that certificate, must be prominently displayed at each location in which you do business.

Wholesalers must provide a copy of their registration certificate to their wholesale customers who request it.

Disclosures At Time of Sale

The oral and written disclosures described below are required before or when payments of any kind are received. There are only two exceptions:

1. Sellers of travel who have sold air or sea transportation or travel services to a customer within the previous 12 months can provide the disclosures to the same customer for subsequent sales within five days after the purchase;
2. A seller of travel who is an Airline Reporting Corporation (ARC) member in good standing and who forwards the amount paid, without offsetting or reducing the amount forwarded by any amounts due or claimed in connection with any other transaction, to the airline providing the transportation or to the Airlines Reporting Corporation, may make disclosures about air transportation orally.

A. Generally

Any terms and conditions must be clearly, conspicuously, and fully disclosed in writing. You must include the following:

- Your business name;
- Your business address;
- Your business telephone number;
- The total amount to be paid by or on behalf of the passenger;
 - The amount paid to date;
 - The date of any future payment;
 - The purpose of the payment made;
 - An itemized statement of the balance due, if any;
- The itinerary stating the name of the provider of the air or sea transportation or travel services, the date, time and place of each departure, or the circumstances under which the date, time and place of departure will be determined.

B. Cancellation Disclosures

You must state in writing and with specificity all terms and conditions relating to the air or sea transportation or travel services. Whatever cancellation policy you follow, it must be conspicuously and completely made known to the purchaser at the time of purchase. **Any cancellation penalties not so disclosed in writing are unenforceable.**

C. Disclosure of Right to Prompt Refund in the Event of a Cancellation

All sales must include a written disclosure regarding the passenger's right to a prompt refund.

Sample Disclosure Language:

Upon cancellation of the transportation or travel services, where the passenger is not at fault and has not canceled in violation of any terms and conditions previously clearly and conspicuously disclosed and agreed to by the passenger, all sums paid to the seller of travel for services not provided will be promptly paid to the passenger, unless the passenger advises the seller of travel in writing, after cancellation. This provision does not apply where the seller of travel has remitted the payment to another registered wholesale seller of travel or a carrier, without obtaining a refund, and where the wholesaler or provider defaults in providing the agreed-upon transportation or service. In this situation, the seller of travel must provide the passenger with a written statement accompanied by bank records establishing the disbursement of the payment, and if disbursed to a wholesale seller of travel, proof of current registration of that wholesaler.

D. Disclosures Regarding Money

1. Travel Consumer Restitution Fund (TCRF) Disclosures

You must state in writing how the TCRF applies to the purchase. Select one

- (a) Sellers of Travel participating in the TCRF must disclose the following information in writing to passengers who purchase from within California.

Sample Disclosure Language:

This transaction is covered by the California Travel Consumer Restitution Fund (TCRF) if the seller of travel was registered and participating in the TCRF at the time of sale and the passenger is located in California at the time of payment. Eligible passengers may file a claim with TCRF if the passenger is owed a refund of more than \$50 for transportation or travel services which the seller of travel failed to forward to a proper provider or such money was not refunded to you when required. The maximum amount which may be paid by the TCRF to any one passenger is the total amount paid on behalf of the passenger to the seller of travel, not to exceed \$15,000. A claim must be submitted to the TCRF within 12 months after the scheduled completion date of the travel. A claim must include sufficient documentation to prove your claim and a \$35 processing fee. Claimants must agree to waive their right to other civil remedies against a registered participating seller of travel for matters arising out of a sale for which you file a TCRF claim. You may request a claim form by writing to: Travel Consumer Restitution Corporation; 468 Manzanita Ave., Suite 1, Chico, CA 95926; or by visiting TCRF's website at: www.tcrfinfo.org.

- (b) Sellers of Travel participating in the TCRF must disclose in writing to **passengers purchasing from outside of California** that the transaction is not covered by the Restitution Fund. This disclosure must also be made orally before or at the time of receiving payment or consideration from the passenger.

Sample Disclosure Language:

This transaction is **not covered** by the California Travel Consumer Restitution Fund.

- (c) Sellers of Travel not participating in the TCRF must disclose in writing that the Seller of Travel is not covered by the Restitution Fund. This disclosure must also be made orally before or at the time of receiving payment or consideration from the passenger.

Sample Disclosure Language:

This Seller of Travel is **not a participant** in the California Travel Consumer Restitution Fund.

2. Purchase Money Disclosures

You must state in writing how the passenger's purchase money is protected under the Seller of Travel Act. Select one of the four disclosures described below.

(a) Trust Account or Bond Users Disclosures

Mandatory Disclosure Language (Choose either trust account or bond and fill in relevant information described in parentheses):

California law requires certain sellers of travel to have a trust account or bond. This business has [a trust account.] [or] [a bond issued by (name of bond company) in the amount of \$ (X).]

or **(b) Deposit Plan Disclosures**

Sample Disclosure Language:

This business is a participant in United States Tour Operator's Association's (USTOA) Consumer Protection Deposit Plan. You may make a claim to this Plan if you are owed a refund. The Plan covers losses for transportation or travel services that were not delivered or not refunded when required. A passenger may make a claim against the plan within (state period of time) from when the passenger learns of the loss. USTOA's total liability for all possible consumer claims from this seller of travel's customers is limited to \$(X [e.g., 1,000,000]).

To make a claim against the plan, the passenger should (describe how a claimant submits a claim, i.e., what copies of documents to include, the address where to mail them, time limitations on when a claim may be made, etc.) The maximum amount of any claim you, the passenger, can make against the plan is \$(X [the total amount paid on behalf of the passenger to the Seller of Travel]).

or **(c) Escrow Plan Disclosures**

Sample Disclosure Language:

This business is a participant in (name of escrow company) Consumer Protection Escrow Plan. You may make a claim against this Plan if you are owed a refund. The Plan covers losses for transportation or travel services which were not delivered or not refunded when required.

A passenger may make a claim against the plan within (state period of time or any known date) of the passenger's loss. To make a claim against the Plan, the passenger should submit (describe how a claimant submits a payment request, i.e., what copies of documents to include, where to mail them, etc.). The maximum amount of any claim you, the passenger, can make against the plan is \$(X [the total amount being paid on behalf of the passenger to the Seller of Travel])."

E. "Travel Certificate" Disclosures

If you sell or distribute "travel certificates," you must obtain written acknowledgment from the passenger for any part of a payment that is nonrefundable, whether it is to acquire or use the travel certificate.

Sample Disclosure Language:

I, [passenger's name], acknowledge that I have been told my payment of \$[X] is nonrefundable.

Dated: _____ [Signature of each